

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. RIDER 3

Sheet No. 1 of 2

Revision No. _____

Effective: January 1, 2000

TRANSMISSION AND ANCILLARY SERVICES – RIDER NO. 3

Transmission

Group "A" : For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service pursuant to the Company's OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, estimated rates are shown in selected Direct Access tariffs.

Note: A loss factor adjustment shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT. The following OATT rate is shown below for information and for calculation of the floating CTC (See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV	Non-EHV	
2.259	\$0.757000	per kW / Month

Note: A loss factor adjustment shall be made for transmission and ancillary services.

Ancillary Services

Group "A" : For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service, but not purchased directly by the customer. Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, estimated rates are shown in selected Direct Access tariffs.

Services covered:

1. System Control & Dispatch
2. Reactive Supply and Voltage Control
3. Regulation and Frequency Response
4. Energy Imbalance Service
5. Spinning Reserve Service
6. Supplemental Reserve Service

Notes:

- A loss factor adjustment shall be made for transmission and ancillary services.
- Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

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TRANSMISSION AND ANCILLARY SERVICES – RIDER NO. 3

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service pursuant to the Company's OATT. The following OATT rates are shown below for information and for calculation of the floating CTC (See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service		
System Control & Dispatch	\$0.041000	per kW / Month
Reactive Supply and Voltage Control	\$0.161000	per kW / Month
Regulation and Frequency Response	\$0.156000	per kW / Month
Energy Imbalance Service	(see note)	
Spinning Reserve Service	\$0.423000	per kW / Month
Supplemental Reserve Service	\$0.069000	per kW / Month

Notes:

- A loss factor adjustment shall be made for transmission and ancillary services.
- Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.